



August 9, 2007

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

JAMES L. TURNER
President and Chief Operating Officer
U.S. Franchised Electric and Gas

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Re: STB Ex Parte No. 670
Establishment of A Rail Energy Transportation Advisory Committee

Dear Mr. Williams:

Duke Energy Corporation hereby submits Gianna Manes as a candidate for the Rail Energy Transportation Advisory Committee (RETAC). Ms. Manes is the Senior Vice President of Portfolio Optimization and Fuels for Duke Energy's regulated utility businesses representing Duke Energy Carolinas, Duke Energy Kentucky and Duke Energy Indiana. She leads the organization that is responsible for the purchase and delivery of coal and natural gas for Duke Energy's generation fleet, as well as optimizing Duke Energy's regulated generation assets in North Carolina, South Carolina, Indiana and Kentucky through electricity purchases and sales with the wholesale market. More specifically, the Fuels organization is the third largest purchaser of coal in the U.S. and is responsible for the annual purchase and delivery of approximately 38 million tons of coal, representing \$2 billion in annual expenditures. Approximately 85% of this coal is transported to Duke Energy's electric generating stations by rail, representing an annual spend in excess of \$400 million. Ms. Manes's organization works to reduce the delivered cost of electricity to our customers by, among other things, holding down fuel costs, which represent approximately 25% of the average customer's bill.

Coal is used to generate more than 70% of Duke Energy's electricity to serve approximately 3.9 million U.S. customers. The effectiveness of the railroad industry in coordination with the coal and utility industries is vital to the electric reliability upon which Duke Energy's customers depend. The creation of RETAC is a very positive development to foster and enhance the cooperation and coordination of these vital infrastructure industries as we face the challenges and opportunities of the future.

Ms. Manes's experience in both the pipeline and electric utility industries in conjunction with her current responsibility provides her with unique insight and a broad-minded perspective to bring to RETAC. She is willing and able to commit, as required, to serving a two-year term as a member of RETAC.

Duke Energy is appreciative of this opportunity to submit Ms. Manes as a candidate for the RETAC and asks that you give her your highest consideration.

Respectfully submitted,

James L. Turner